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## PRESIDENT'S SPECIAL REVIEW BOARD



Room 5026

New Executive Office Building Washington, D. C.

Thursday, January 8, 1987

The interview convened at 10:07 a.m.

### BEFORE:

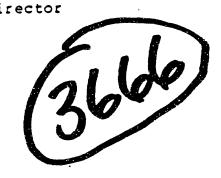
The Honorable John Tower, Chairman

The Honorable Edmund Muskie

General Brent Scowcroft

#### PRESENT:

Rhett Dawson, Esq., Director
Clark McFadden, Esq.
Nicholas Rostow, Esq.
Michele Markoff
Brian Bruh



Partially Declaration Religated on 1997

Index provisions of E.O. 12356

By S. Reger, National Security Council

A O D O C X HIBLE

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And that's where we are. That's the story. I think I'll just be quiet. You must have 1,001 questions now, and I'll sit back and answer them.

CHAIRMAN TOWER: Ed.

SENATOR MUSKIE: I take it from your opening statement that you had no knowledge at all of any diversion of funds from the Iran operation.

No. I didn't know that even arms were being sold to Iran until it broke in the newspapers, and I didn't know that there was even a question of diversion of funding until sometime -- well, it was before it was announced. I forget when it was.

America just before he came back to testify in November to the committees, to the Senate, and a courier came down who was coming down to meet him with his briefs and such so he could do his work on the airplane and get ready for his testimony, and the courier said to him, you know, there may be a problem on diversion — and that was eight or ten days before it broke in the newspapers.

CHAIRMAN TOWER: About when was that?

The Director testified in the

Senate on a Friday and this was on a Wednesday. I can't

remember the exact dates. It was in November. I can

divine them, though.

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CHAIRMAN TOWER: Was it about mid-November?

Mid-November, yes. Does anybody

GENERAL SCOWCROFT: No, I don't know.

know when the Director first testified to the Senate?

CHAIRMAN TOWER: But we can find out.

It was before Thanksgiving. It would be the Wednesday evening before the Friday before Thanksgiving. I just don't know what date that was. And that was the first I had heard anything about it.

And then, just an hour before the Attorney

General made his announcement, the DDO called me up and
said this is what's happened. And I said, oh, Jesus.

And that was the first I had known that that was going
on.

SENATOR MUSKIE: And now you said that all through 1985 there was sufficient funding for the resistance forces to cover their needs.

Yes. They had enough money from August of 185-forward. Their needs were much reduced because of the humanitarian assistance offers, but still they had funds before and after that. They were able to pay their debts. They were able to buy their food and they were able to meet their payments to their individuals, yes.

SENATOR MUSKIE: How specific was your

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